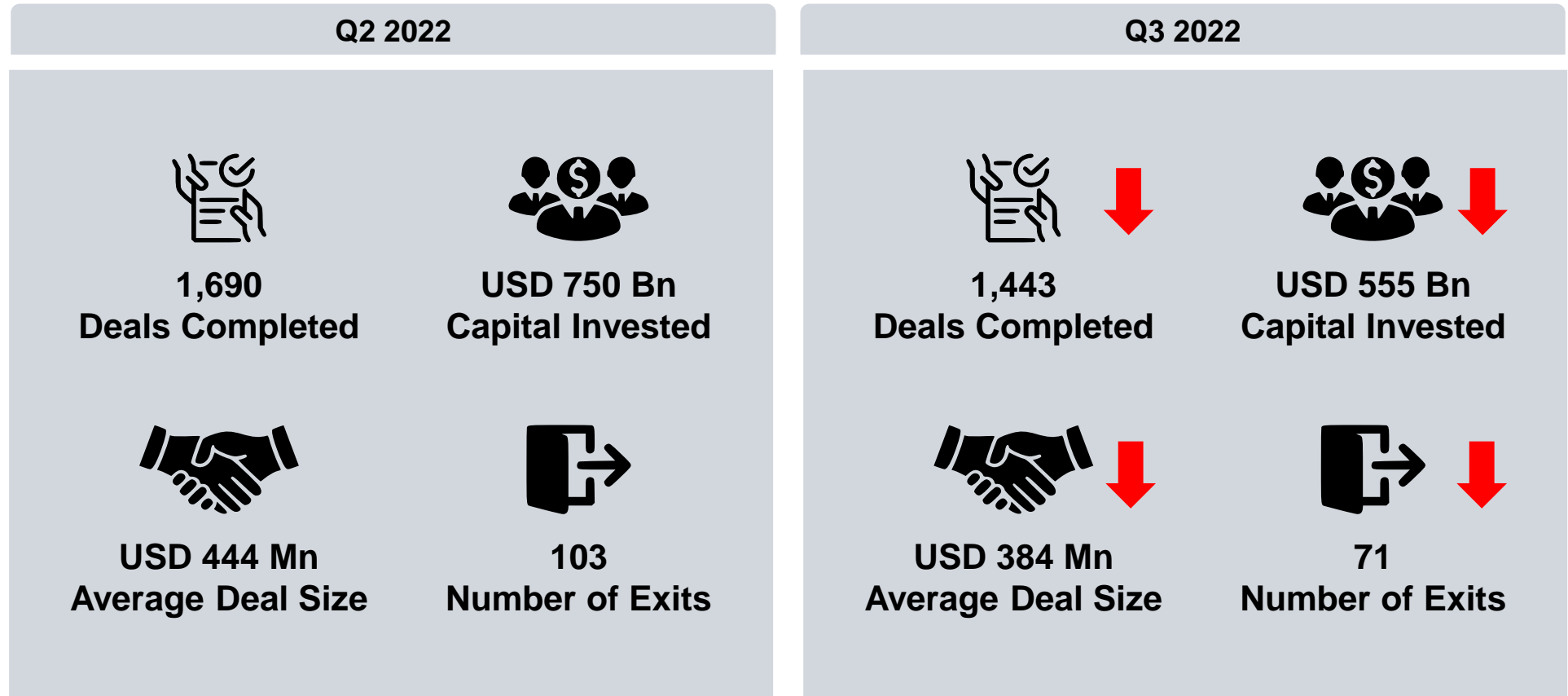


# Global Private Equity Factbook – Q3 2022

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Private equity investments decline 26% and hit lowest levels since Q1 2021; exits and deals completed depleted amid volatile investing environment



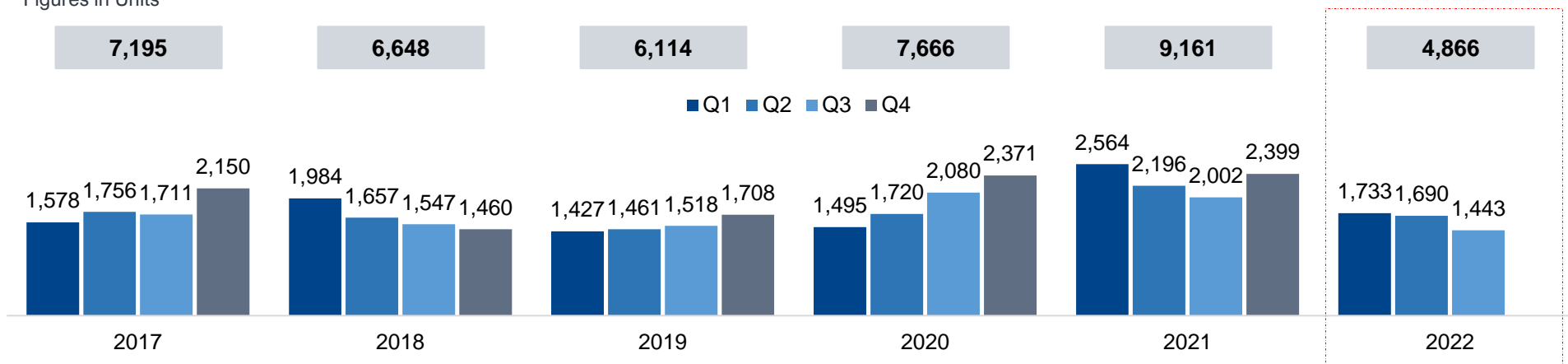
Source: Pitchbook, Aranca Analysis

Note: Quarter represents the calendar year.

Deal volumes down 15%, recording lowest quarterly value since Q2 2019; PE firms continue investments in public companies and small-ticket add-on deals

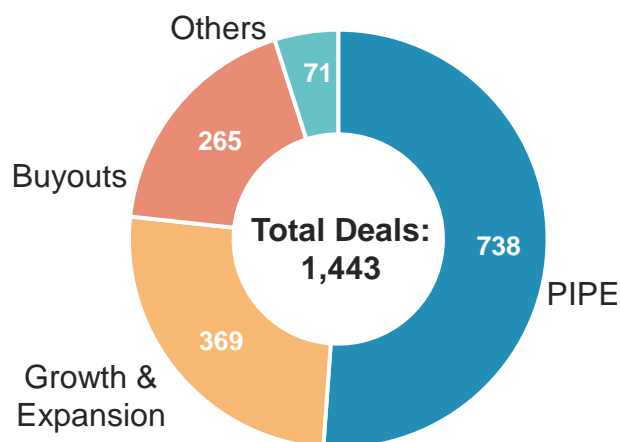
## Number of Deals

Figures in Units



## Type of Deals – Q3 2022

Indicates annual/YTD deals completed



- Private equity dealmaking has come under pressure from the tightening macro environment (high inflation and rise in lending rates) and uncertain economic outlook.
- About 77% of PE deals focused on PIPE, and growth and expansion.
  - The focus on PIPE deals is expected to continue as macro environment and geopolitical tensions impact the valuation of public companies, creating opportunities for PE firms to invest at competitive prices.
  - Around 78% of dealmaking focused on add-ons (up 10% from pre-Covid levels), which are typically low-ticket size and hence easier to finance.

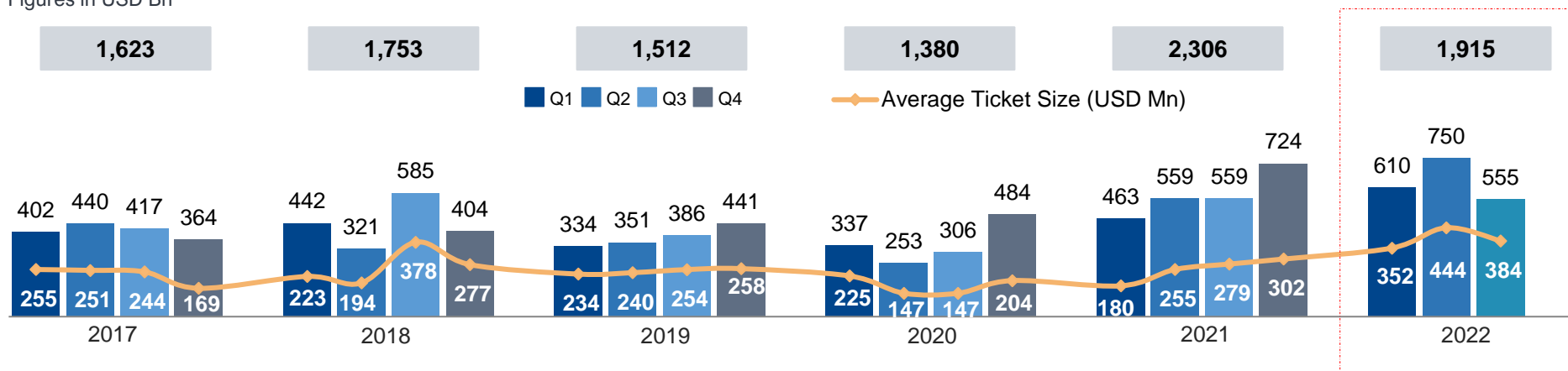
Source: Pitchbook, Aranca Analysis

Note: \*PIPE: Private Investment in Public Equity

Capital invested drops ~26% on quarterly basis, whereas YTD investments grow ~21%, recording strongest nine months of investments since 2017

## Capital Invested

Figures in USD Bn



## Top Deals – Q3 2022

Indicates annual/YTD capital invested

Company Name	Deal Size (USD Bn)	Investors
Citrix System	16.5	Elliott Management, Vista Equity Partners
Store Capital	14.0	GIC, Oaks Street Real Estate Capital
American Campus Communities	13.0	Blackstone, Blackstone Real Estate Income Trust
Deutsche Funkturm	9.2	Brookfield Infrastructure Partners, DigitalBridge Group
CDK Global	8.3	Brookfield Business Partners

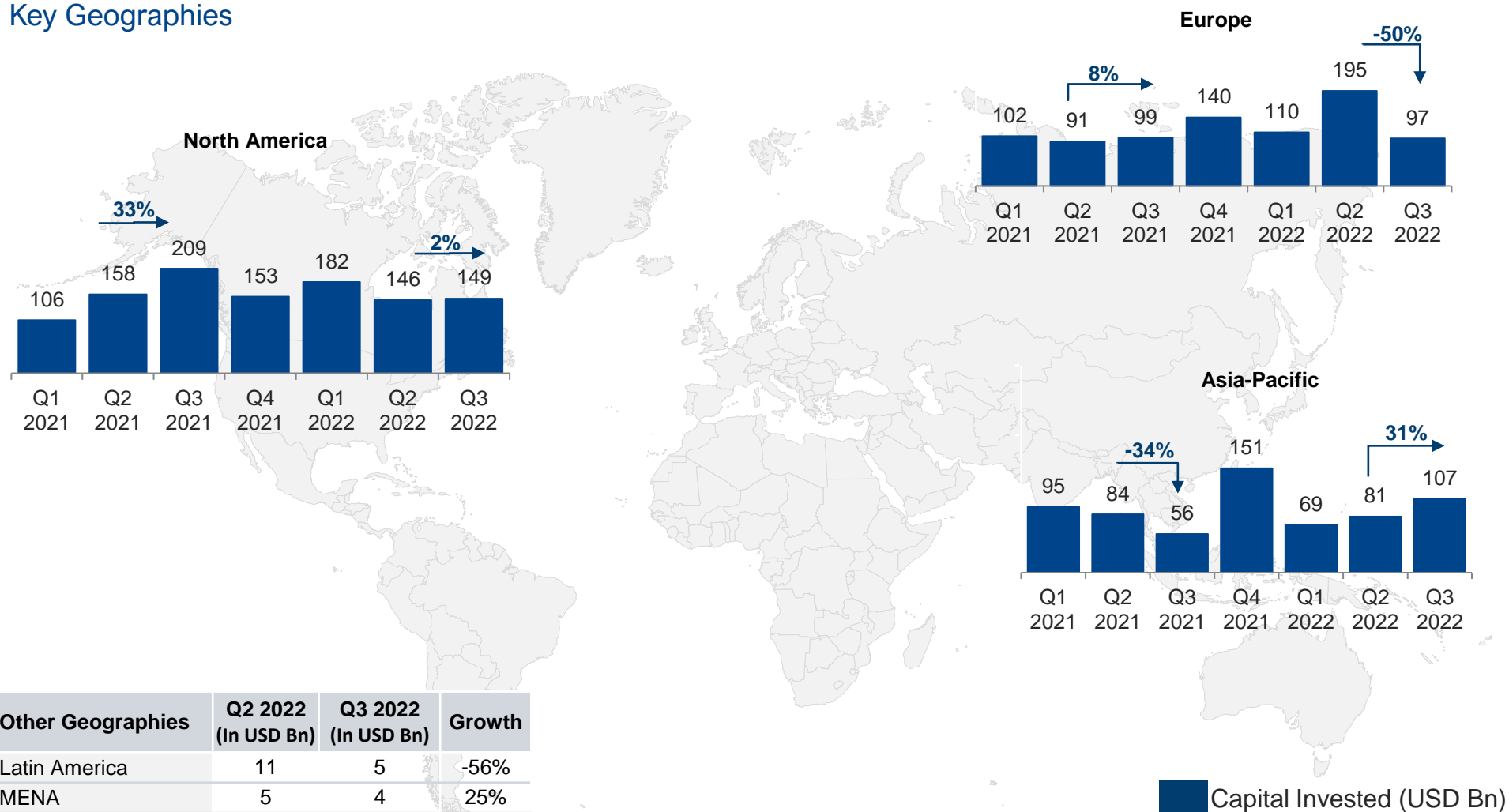
- Capital investments in Q3 remain subdued on account of restricted access to capital and focus on low-ticket add-on deals.
- However, on year-to-date basis, capital invested across deal segments grew in 2022, with PE firms investing USD 1.7 tr in buyouts, PIPE, and growth deals, representing 90% of the total capital invested in 9M 2022.

Source: Pitchbook, Aranca Analysis

Note: \*PIPE: Private Investment in Public Equity

# Investments in Europe and Latin America down 50% in Q3, but offset by rise in investments in Asia-Pacific, MENA, and North America

## Key Geographies

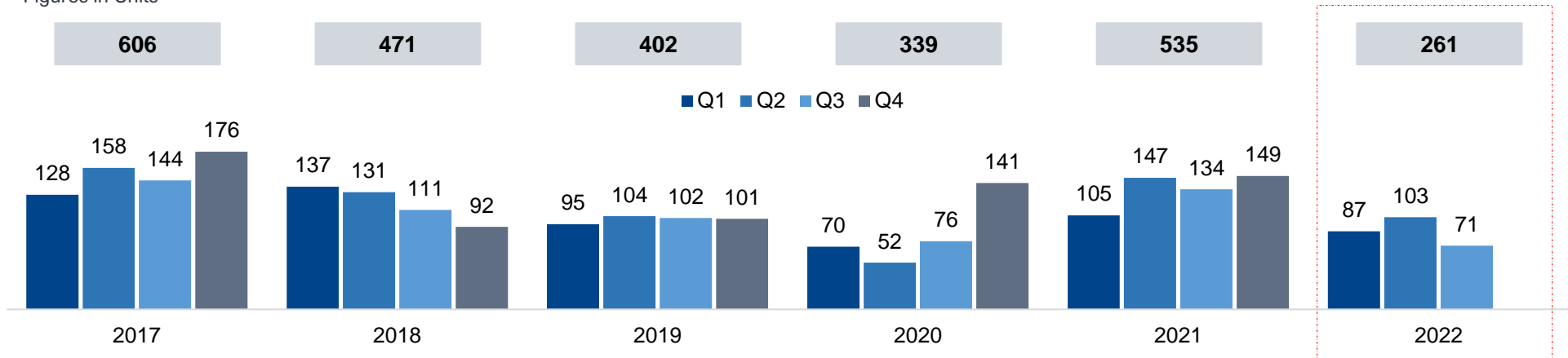


Source: Pitchbook, Aranca Analysis

# PE exits fall 31% on slowdown in IPO market and limited strategic secondary buyouts; PE firms continue focus on strengthening existing portfolio companies

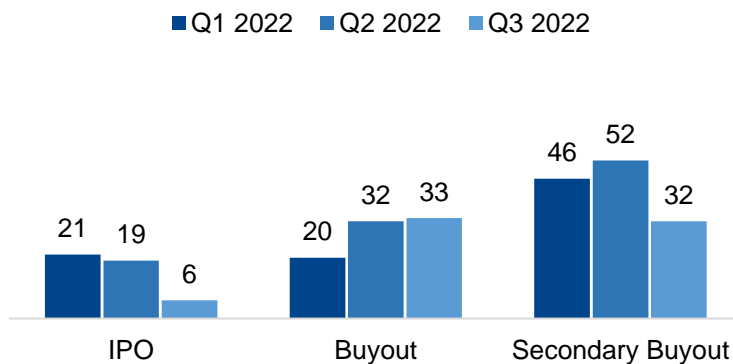
## Number of Exits

Figures in Units



## Key Exit Routes

Figures in Units



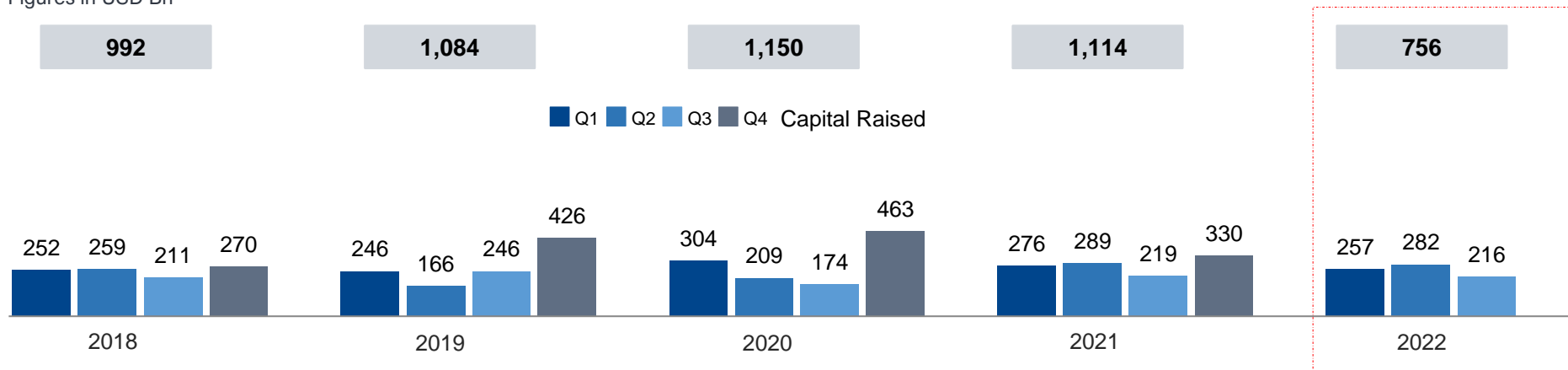
- *IPOs, which constituted one-fourth of exits at the start of 2022, represented only 8% of total PE exits in Q3.*
- *Exits through the IPO route dropped ~70% on account of a weakened stock market and volatile market conditions.*
- *The uncertain macro environment puts downward pressure on deal multiples, forcing more PE firms to focus on operational improvement, asset acquisition, and supplementary deal activity to strengthen the valuation of their existing portfolio companies.*

Source: Pitchbook, Aranca Analysis

# PE fundraising remains stable but expected to slow on account of overcrowded market and investors prioritizing established fund managers

## Capital Raised

Figures in USD Bn



## Top 5 Companies by Total Capital Raised – Q3 2022

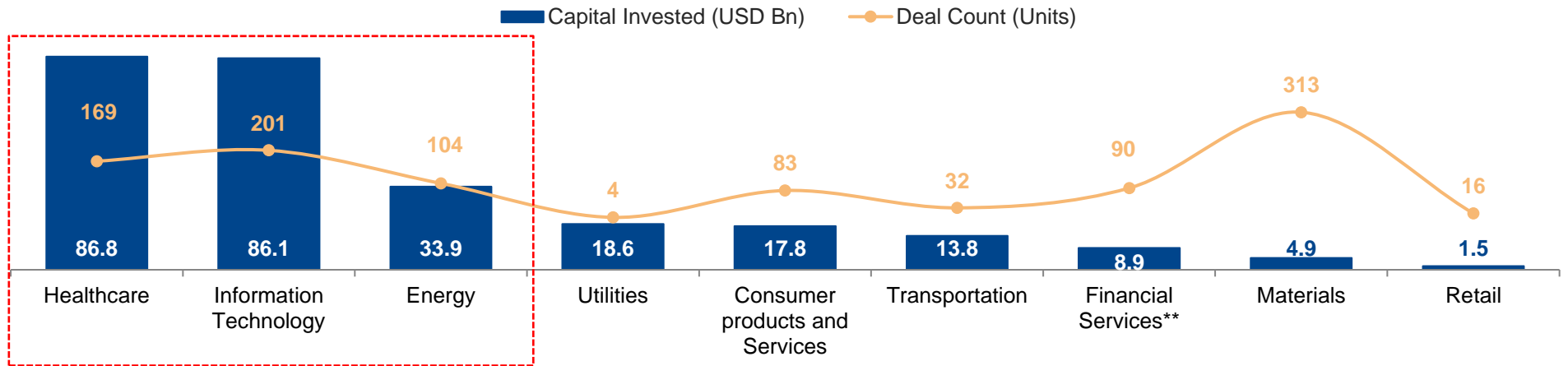
PE Name	Investor Type	Fund Name	Total Capital Raised (USD Bn)	Company Headquarters
Advent International	Buyout	Advent International GPE X	25.0	US
KKR	Buyout	KKR North America Fund XIII	19.0	US
Insight Partners	Buyout	Insight Partners XII	17.2	US
Brookfield Asset Management	Growth and Expansion	Brookfield Global Transition Fund	15.0	Canada
Clearlake Capital Group	Buyout	Clearlake Capital Partners VII	14.1	US

- PE fund managers continue to raise funds through 2022, which is expected to slowdown in Q4. This is primarily due to delays, which would push closures to 2023.
- The market is overcrowded with many LPs exhausting their allocation targets while others are focusing on established fund managers, which could impact the funds raised by mid-size fund managers.

Source: Pitchbook, Aranca Analysis

# Healthcare, IT, and energy services sectors attract about 37% of total capital invested by PE firms in Q3 2022

## Top Sectors\* – Q3 2022



Note: \*Only includes deals for which sector-level information is available. Deals include completed and announced

*“Private equity continues to see value in the healthcare sector. Opportunities to maximize return on invested capital can be found in numerous healthcare subsectors.”*

**– A Mergers and Acquisitions Business Intelligence Company**

*“The deal volume in tech demonstrates that technology is more resilient than other sectors amid the current market volatility.”*

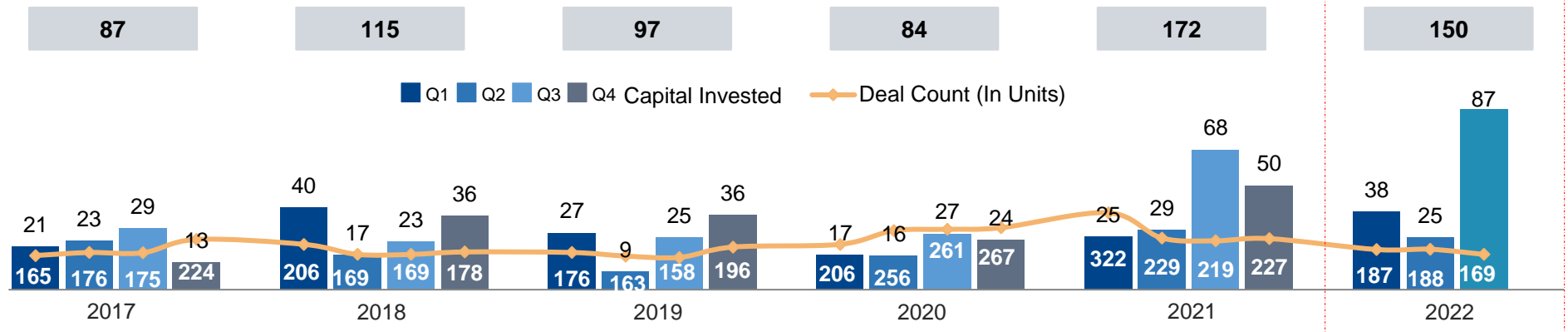
**– A Capital Market Company**



# Investments in healthcare sector up ~250% in Q3 2022, primarily directed toward care providers and drug manufacturers

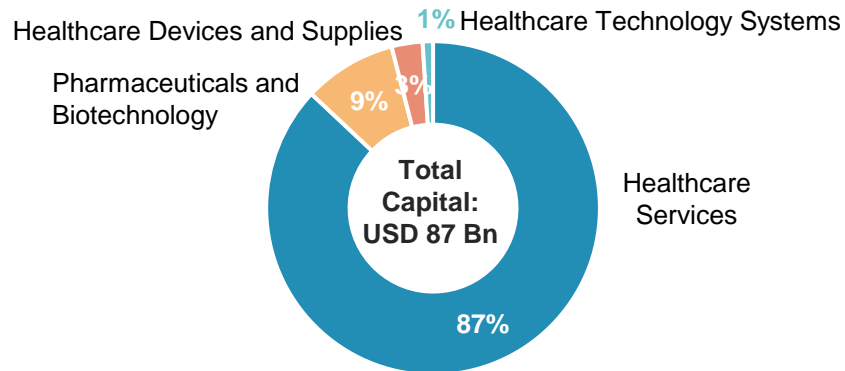
## Top Sectors – Healthcare

Figures in USD Bn



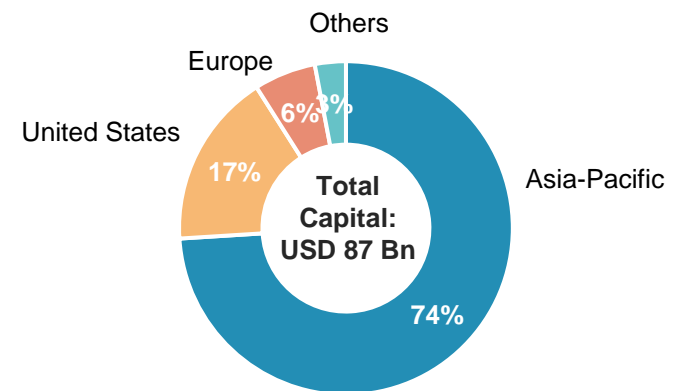
## Healthcare by Primary Sectors in Q3 2022

Figures in Percentage and USD Bn



## Healthcare by Geography in Q3 2022

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

## Top Private Equity Investments in Healthcare Sector in Q3 2022 *(Illustrative)*

Healthcare Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Healthcare Services	Hospital/ Inpatient Services	Aier Eye Hospital Group	An ophthalmology-focused hospital group	China	50.71 Bn	PIPE	Bank of Communication Schroder Fund Management, BNP Paribas, and others	-	-
		Ramsay Health Care	A healthcare provider	Australia	9.95 Bn	Buyout	-	1.03x	7.39x
	Other Healthcare Services	Tivity Health	A provider of fitness, nutrition, and social connection solutions	US	3.20 Bn	Buyout	Stone Point Capital	6.15x	19.53x
Pharmaceuticals and Biotechnology	Drug Discovery	Radius Health	An integrated biopharmaceutical company	US	0.89 Mn	Buyout	Gurnet Point Capital, Patient Square Capital	3.66x	-
	Biotechnology	Institut Merieux	An industrial microbiology company	France	0.87 Mn	Growth/ Expansion	Exor	-	-
		The Emmes Company	A clinical research organization	US	0.80 Mn	Buyout	New Mountain Capital	-	-
Healthcare Devices and Supplies	Diagnostic Equipment	Natus Medical	A provider of newborn care, hearing, and neurology products	US	1.19 Bn	Buyout	ArchiMed	2.33x	22.87x
	Monitoring Equipment	Masimo	A medical device business	US	0.75 Mn	PIPE	Politan Capital Management	-	-
	Therapeutic Devices	Therabody	A developer of percussive therapy devices and technology	US	0.16 Mn	Growth/ Expansion	Hartbeat Ventures, North Castle Partners, and others	-	-
Healthcare Technology Systems	Enterprise Systems	Third Wave Recovery System	A pharma drug rebate management platform	US	0.16 Mn	Growth/ Expansion	Pinta Capital Partners, Windrose Health Investors	-	-
	Other Technologies	Akili Interactive	A digital medicine company	US	0.16 Mn	PIPE	Apeiron Investment Group, Averill Strategy, and others	-	-
	Enterprise Systems	NEXUS	A software solutions provider	Germany	0.07 Mn	PIPE	Luxempart	-	-
<b>Median</b>								<b>3.00x</b>	<b>19.50x</b>

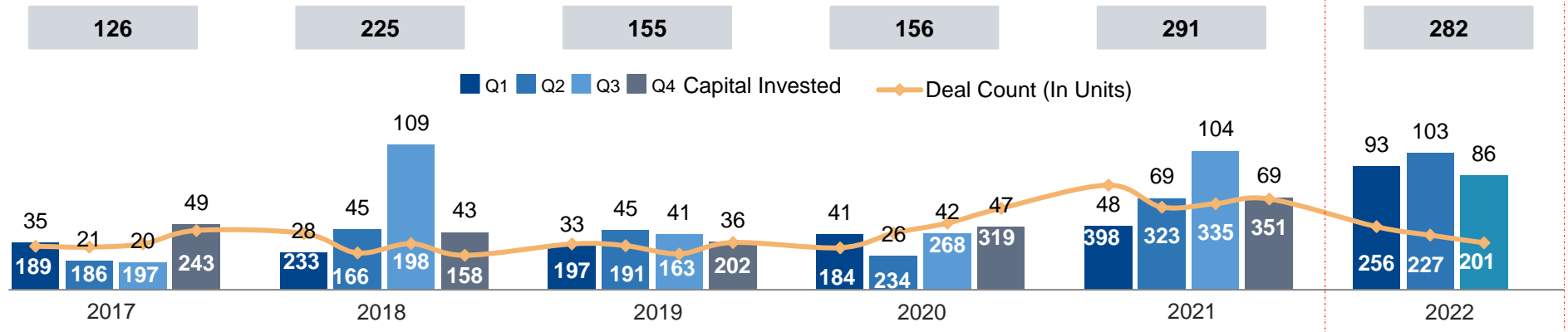
Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

# IT investments decline 17% in Q3; software and networking companies primarily targeted led by sustained push for digitalization and remote working after COVID

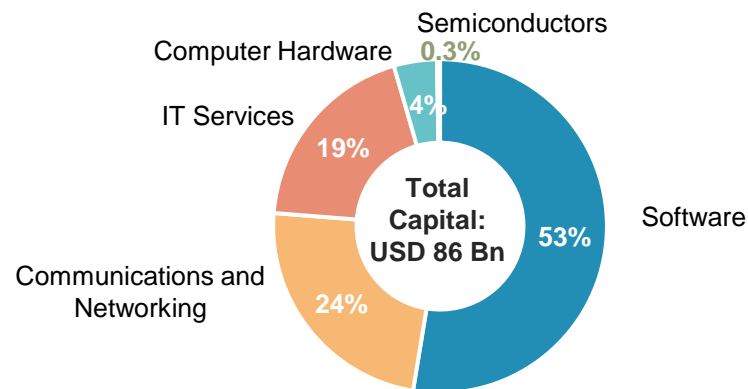
## Top Sectors – Information Technology (IT)

Figures in USD Bn



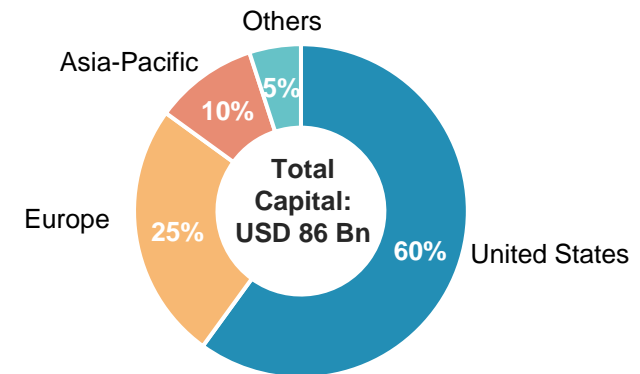
## IT by Primary Sectors in Q3 2022

Figures in Percentage and USD Bn



## IT by Geography in Q3 2022

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

## Top Private Equity Investments in IT Sector in Q3 2022 *(Illustrative)*

IT Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Software	Business Software	Citrix Systems	A visualization software provider	US	16.50 Bn	Buyout	Elliott Management, Vista Equity Partners	4.72x	25.65x
	Network Management Software	SailPoint Technology	A provider of identity security and access management	US	6.90 Bn	Buyout	Thoma Bravo	16.25x	-
		Barracuda Networks	A provider of online security products	US	4.00 Bn	Buyout	Kohlberg Kravis Robert, Ten Eleven Ventures	-	-
Communications and Networking	Other communication	Deutsche Funkturn	A developer of infrastructure systems for telecom operators	Germany	9.28 Bn	Buyout	Brookfield Infrastructure Partners, DigitalBridge Group and others	-	-
	Internet services	Uniti Group	A telecommunication company	Australia	2.53 Bn	Buyout	Brookfield Asset Management and others	-	-
	Telecommunication services	Intrado	A provider of public emergency telecommunication services	US	2.40 Bn	Buyout	Stonepeak Infrastructure Partners	-	-
IT Services	IT Consulting and Outsourcing	ManTech International	A provider of technology solutions and services	US	4.20 Bn	Buyout	The Carlyle Group	1.59x	16.25x
		Evidian	A developer of identity and access management software	France	4.16 Bn	Buyout	-	1.67x	-
		Lumen Technologies	A provider of communication and information technology services	Argentina	2.70 Bn	Buyout	AustralianSuper, Stonepeak Infrastructure Partners	-	-
Computer Hardware	Electronic Equipment	Evident	A manufacturer of academic, clinical research and pathology diagnostic equipment	Japan	3.10 Bn	Buyout	Bain Capital	-	-
		Robosense	A developer of robotic perception technology	China	0.15 Mn	Growth/ Expansion	-	-	-
	Other Electronics	Agfa Offset Solutions	A manufacturer of prepress and printing systems	Belgium	0.09 Mn	Buyout	Aurelius Group	-	-
<b>Median</b>								<b>3.20x</b>	<b>20.95x</b>

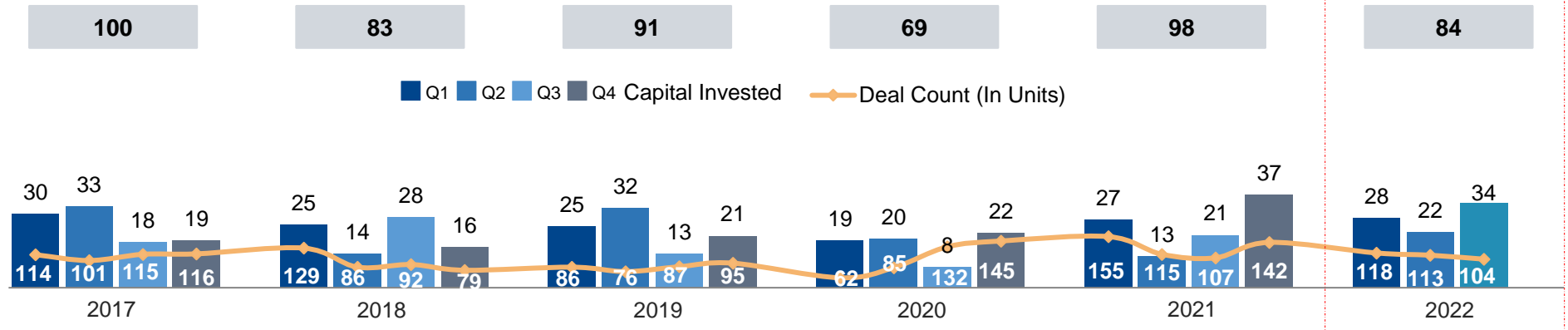
Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

Investments in energy sector up 55%, with ~81% of them targeted at companies engaged in exploration, refining, and transportation of oil and natural gas

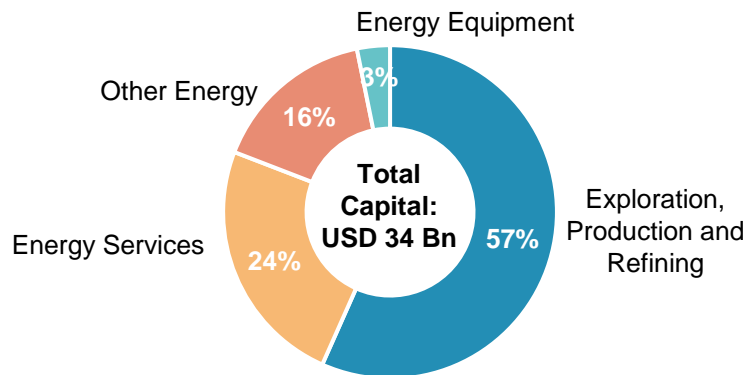
## Top Sectors – Energy

Figures in USD Bn



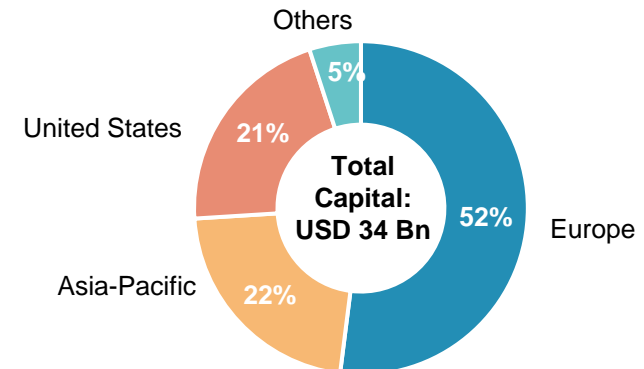
## Energy by Primary Sectors in Q3 2022

Figures in Percentage and USD Bn



## Energy by Geography in Q3 2022

Figures in Percentage and USD Bn



Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

## Top Private Equity Investments in Energy Sector in Q3 2022 *(Illustrative)*

Energy Sectors	Subsectors	Company Name	Company Description	Geography	Deal Size (USD)	Deal Type	Investors	EV/ EBITDA	EV/ Revenue
Exploration, Production and Refining	Energy Production	Reden Solar	A producer of photovoltaic renewable energy	France	2.88 Bn	Buyout	British Columbia Investment Management, Macquarie Asset Management, and others	-	-
		NextEra Energy	A power distributor	US	2.00 Bn	PIPE	Bank of America Securities, Barclays	-	-
		Sembcorp Energy India	A producer of thermal and renewable energy	India	1.50 Bn	Buyout	Oman Investment Corporation, Oman Ministry of Defense Pension Fund	-	-
Energy Services	Energy Storage	SK On	A manufacturer of rechargeable electric batteries	Korea	1.53 Bn	Growth/ Expansion	EastBridge Partners, Korea Investment Private Equity, Stellar Investment	-	-
	Energy Transportation	GreenYellow	A provider of energy supply services	France	1.42 Bn	Buyout	Ardian, Bpifrance, and others	-	-
	Energy Infrastructure	Scout Green Energy	A developer and operator of solar, wind, and renewable power projects	US	1.35 Bn	Buyout	Brookfield Renewable Partners	-	-
Other Energy	Other Energy	Ørsted	A wind farm operator	UK	3.40 Bn	Buyout	AXA Investment Managers, Credit Agricole Assurances	-	-
		Corio Generation	A portfolio of 9 GW offshore wind project	UK	1.13 Bn	Buyout	Ontario Teachers' Pension Plan	-	-
		Riacho da Serra Energia	A portfolio of solar projects	Brazil	0.65 Mn	Buyout	Exus Management Partners	-	-
Energy Equipment	Alternative Energy Equipment	Standard Solar	An operator of commercial and community solar company	US	0.70 Mn	Buyout	Brookfield Renewable Partners	-	-
		Summit Ridge Energy	An operator of solar plant community	US	0.17 Mn	Growth/ Expansion	Apollo Global Management	-	-
		SolarZero	An operator of solar power company	New Zealand	0.06 Mn	Buyout	BlackRock Real Assets	-	-
	Median							-	-

Source: Pitchbook, Aranca Analysis

\*Note: Deals include completed and announced

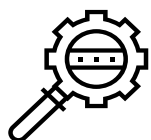
## PE Industry Outlook



- PE deal activities are expected to remain subdued toward the end of 2022 as investors remain cautious of recessionary fears and due to restricted access to capital, which could slow PE investments and dealmaking activities.



- Interest rates are likely to increase as most governments focus on combating inflation. This could hamper PE fundraising and limit access to capital in order to finance large-ticket deals.



- Exits are anticipated to decline as PE firms are likely to hold on to existing portfolio companies and continue focusing on value creation through add-on deals and asset acquisitions.

Source: Aranca Analysis



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